

Delaware Part of Settlement of Fraud Suit With Walgreens

Attorney General Kathy Jennings announced Thursday that Delaware has joined the United States, the District of Columbia, and all 49 other States in settling allegations against Walgreens Boots Alliance (Walgreens). The agreement in principle settles allegations of fraudulently over dispensing insulin pens and violating the False Claims Act for billing Medicaid at rates higher than its usual rates for certain prescription drugs.

The first settlement resolves claims that from January 1, 2006 through December 31, 2017, rather than dispensing the quantity of insulin called for by a patient's prescription, Walgreens exceeded the prescription amount and falsified information on claims submitted for reimbursement to Medicare and Medicaid, including the quantity of insulin and/or days' supply dispensed.

Walgreens admitted to programming its computer system to define a full box of five insulin pens as the minimum dispensing package size. This definition prevented Walgreens pharmacists from being able to dispense fewer than five pens even though a patient's prescription called for a smaller number of pens. This resulted in state Medicaid programs paying for a substantial number of claims that the programs would not have approved if Walgreens had reported the correct supply of medication based on the prescription.

In the second settlement, Walgreens agreed to pay to resolve claims that it overbilled Medicaid by failing to disclose and charge the lower drug prices it offered through its Prescription Savings Club discount program. By doing so, Walgreens received more money in reimbursements from the states' Medicaid programs than it should have.

“Medicaid is a critical public service that thousands of Delawareans depend on and is one of our State’s highest annual expenditures,” said Attorney General Kathleen Jennings. “Dishonest practices like overbilling and falsifying records undermine Medicaid’s solvency, violate public trust, and waste taxpayer money. Walgreens’ acknowledgement that they knowingly engaged in fraudulent over-dispensing signifies that we will not tolerate fraud and abuse in important programs like Medicaid.”

Under the settlement, Walgreens will pay the United States and the States a total of \$269.2-million dollars under the two settlements. Delaware’s Medicaid program will receive a total of \$586,000 from the agreements; \$575,000 for the over-dispensing of insulin pens, and \$11,000 for the false claims to Medicaid for the overcharging for discounted drugs.

“As conscientious stewards of taxpayer funding, we thank the Attorney General’s office for pursuing this case and reaching a settlement on behalf of our Medicaid program,” said Department of Health and Social Services Secretary Dr. Kara Odom Walker, a board-certified family physician. “While our Medicaid clients should expect to receive the medicine and the care they require, it is critical for us – at every level of government – to reduce unnecessary and wasteful health care spending.”

Walgreens, headquartered in Deerfield, Illinois, and incorporated in Delaware, operates the largest retail pharmacy chain in the U.S., with 8,309 locations across all 50 states.